

We believe that the Navy's plans, if properly carried out, should benefit the accuracy, timeliness, and completeness of inventory data and, consequently, its usefulness to management.

[Index No. 29—B-162106, Sept. 29, 1967]

NEED FOR PROCEDURES TO PRECLUDE MORE THAN JUST COMPENSATION IN ACQUIRING OIL INTERESTS, CORPS OF ENGINEERS (CIVIL FUNCTIONS), DEPARTMENT OF THE ARMY

In September 1967, we reported to the Congress that the Corps of Engineers (Civil Functions), Department of the Army, in acquiring land for two reservoir projects near Carlyle, Ill., and Tulsa, Okla., made payments of about \$28 million to the land and mineral owners. About \$7.2 million of that amount represented the estimated cost to the Government for acquiring the mineral interests.

Agreements entered into by the Corps provided for payment to the owners for the full amount of the estimated oil reserves. Subsequent to appraisal of the estimated oil reserves, the owners were permitted under the agreements to extract oil having a fair market in-ground value of about \$1.6 million, without an appropriate adjustment in the cost to the Government for acquiring the mineral interests.

We suggested to the Secretary of the Army that the Corps' policies and procedures be revised to prevent the owners of mineral interests from receiving more than just compensation. We were advised that the Corps would prepare and modify instructions which would be designed to preclude owners from receiving windfall benefits.

[Index No. 30—B-161340, Oct. 12, 1967]

OPPORTUNITY FOR SAVINGS BY ADOPTING MANUFACTURERS' RECOMMENDED PREVENTIVE MAINTENANCE PROGRAMS FOR INTERAGENCY MOTOR POOL VEHICLES—GENERAL SERVICES ADMINISTRATION

Our review showed that savings could be obtained by adopting specific programs of preventive maintenance developed by automobile manufacturers for their vehicles as a means of achieving the best performance, long life, and trouble-free operations in place of the uniform General Services Administration requirements which provide generally for more frequent preventive maintenance.

Our review covered the costs of certain usual preventive maintenance jobs at three interagency motor pools in one of the 10 General Services Administration regions. We estimate that the General Services Administration could have saved about \$26,600 during the year ended June 30, 1966, in the cost of preventive maintenance in this region by adopting the manufacturers' programs for 1963 through 1965 models of vehicles.

We estimate that, if these potential savings were typical of the savings that may have been available in the agency's other nine regions, about \$250,000 could have been saved by the Government during the year ended June 30, 1966.